



**MINUTES**  
**Economic Development Authority**  
**January 19, 2021**

**CALL TO ORDER**

The Economic Development Authority meeting was called to order at 5:30 pm.

**Present:** Chair: Jahn Dyvik; Vice Chair: Lori Goodsell; Board: Tim Hultmann, Deirdre Kvale, Gina Joyce, Mike Feldmann, and Charlie Miner

**Staff Present:** City Administrator/Executive Director: Scott Weske; City Attorney: John Thames

**Absent:** None

**PLEDGE OF ALLEGIANCE**

**APPROVE AGENDA**

*A motion was made by Goodsell, seconded by Hultmann, to approve the agenda, as presented.*

*Ayes: all by roll call.*

**SELECTION OF EDA CHAIR AND VICE-CHAIR POSITIONS FOR 2021**

There were multiple nominations by Board members to re-appoint Jahn Dyvik to serve as Chair and Lori Goodsell to serve as Vice Chair for 2021.

*A motion was made by Miner, seconded by Hultmann, to appoint Jahn Dyvik to serve as EDA Chair and Lori Goodsell as Vice-Chair for 2021. Ayes: all by roll call.*

**CONSENT AGENDA**

- A. Approve Minutes of December 15, 2020 Economic Development Authority Meeting
- B. Approve Minutes of December 29, 2020 Special Economic Development Authority Meeting

*A motion was made by Hultmann, seconded by Joyce, to approve the Consent Agenda as presented.*

*Ayes: all by roll call.*

**OPEN CORRESPONDENCE**

Dan Crear, 545 Virginia Avenue, noted that he had not seen anything on the agenda related to Virginia Avenue and asked for an update on the project.

City Attorney Thames indicated that regarding the Virginia Avenue purchase agreement between the City and the developer, the assignment was approved and the City is prepared for closing. He confirmed that the closer has been notified and now the City is just waiting for them to come back with the requisite documents and set a date. He stated that the process is moving forward and he is not aware of anything that would cause delays at this time.

Chair Dyvik requested an item be added to the next agenda that would be an update from Ben Landhauser on the schedule and milestones for the Virginia Avenue project.

Executive Director Weske stated that he believes there will be movement by the next meeting, but cannot promise it. He indicated that he would reach out to Mr. Landhauser and noted that he can also give the EDA an update before the next meeting if things start happening.

## **BUSINESS ITEMS**

### **Applications for EDA Review – 1905 W Wayzata Boulevard Property: Water's Edge Dental PLLC DBA Lakeside Family Dentistry (Mike Giebenhain), 4,000-4,500 Square Foot Building for Dental Office**

Chair Dyvik noted that his understanding is that there was a second proposal originally scheduled for tonight's meeting, but the applicant has asked that it be pushed out to next month.

Weske confirmed that this was correct and the other applicant is currently doing additional data research on related costs and financing. He encouraged the EDA to discuss and give feedback tonight regarding the proposal from Mike Giebenhain.

Mr. Giebenhain gave a brief overview of his proposal for the property at 1905 W Wayzata Boulevard. He explained that he would like to have the building have the look of the Oppidan building in Excelsior or the Cov restaurant in Wayzata. He stated that it would be a two-level building with his office being upstairs and noted that he is open to partnering with another developer, if necessary.

Board member Kvale asked how large Mr. Giebenhain's current location is compared to the new two-story building proposed.

Mr. Giebenhain responded that his current space is about 2,500 square feet in size and the proposal would be for a building between 4,000 and 4,500 square feet. He explained that he had discussed a two-story building with the architect, but it was drawn up as a one-story. He noted that his architect had clarified that if there was not rental space on the second floor, he would not need an elevator.

Board member Goodsell commented that she would be against taking the neighboring CreekRidge Center building down and further negatively affecting the businesses that have already been disrupted such as Primo restaurant and the nail salon. She stated that she understands that Mr. Giebenhain's business has also been disrupted this year and she does not want to even discuss taking Mr. Weber's building down.

Mr. Giebenhain indicated that he was not sure where Board member Goodsell's notion had come from.

Board member Goodsell replied that the drawing that was submitted for Mr. Giebenhain's concept had the building gone.

Board member Hultmann clarified that Mr. Weber's building remains on his property and does not come down with this proposal.

Mr. Giebenhain added that he had just submitted photographs as examples of an old-town brick building look. He stated that his proposal has absolutely nothing to do with Mr. Weber's property or his business.

Board member Joyce noted that she had been confused about that idea also.

Chair Dyvik pointed out that the aerial view site drawing shows Mr. Weber's building is still there.

Board member Goodsell questioned if Mr. Giebenhain had thought about speaking with Cliff Otten.

Mr. Giebenhain responded that he had spoken with him and noted that he is not specifically looking to combine anything. He reiterated that he has an interest in building a space that works for him. He indicated that if someone approaches him, he is open to hearing them out.

Board member Goodsell noted that she had misspoken and meant to ask if Mr. Giebenhain had spoken with Sam Rettinger.

Mr. Giebenhain stated that he has not spoken with Mr. Rettinger.

Chair Dyvik confirmed that, as of right now, this project does not involve Mr. Weber at all and is just a proposal from Mr. Giebenhain.

Mr. Giebenhain replied that Chair Dyvik's understanding is correct. He discussed two potential builders he is considering working with and explained that his current office space is rented and not owned.

Board member Miner recalled the deed restriction related to his business that would go along with this property and asked if he had done any research into that issue.

Mr. Giebenhain responded that he had previously understood he had the property under contract before the City stepped in and bought it. He stated that he thought he had an exclusive agreement until he found out that his lawyer had rescinded it, unbeknownst to him. At the time of his potential purchase, he explained he had been in talks with BP and Croix Oil about getting the deed restriction lifted and he was told that they did not think getting the dental limitation lifted would be an issue.

City Attorney Thames confirmed that BP will have to be contacted to lift those property limitations.

Board member Hultmann asked if the other pending proposal for this property would have an issue with the limitations.

Weske stated that at this time he does not think their proposal will be impacted by the deed restrictions and added that they are planning parking in a manner that would not mess with soils on site.

Chair Dyvik questioned if the deed restrictions were about liability or competition.

Thames advised that there are two sets of restrictions. The temporary restrictions pertain to competitive uses such as convenience stores or gas stations. The permanent deed restrictions are the environmental restrictions such as slab on grade build and restrictions on residential use and uses such as child care, elder care, medical or dental facilities. He listed off the other restricted uses in this category. He stated that the competitive restrictions will expire in about a month and they will not be an issue.

Weske added that he had mentioned to the other applicant for this property that Mr. Giebenhain may be open to a partnership. He noted that he had shared his contact information with them so they may be getting in touch with him. He stated that, in his opinion, he thinks it could be a good match with potential promise.

Board member Hultmann commented that he still believes the City needs to get clarification on costs for contacting BP to find out about the removal of at least the dental restriction.

Chair Dyvik agreed and stated that he believes that process should begin now. He believed that the conversation should at least get started because he thinks that regardless of what happens there will need to be some restrictions removed.

Thames replied that he would be happy to reach out and make that inquiry to BP. He suspected BP will want to see more specific plans before they make a decision, but noted that he can at least find out the proper channel of communication for when the City is ready.

Chair Dyvik added that he may have a different avenue to get some contact information.

Mr. Giebenhain stated that before he invests more money in these plans, he would like assurance from the City that he has a realistic chance of developing this property.

Board member Hultmann said that he believes the key point right now is finding out if any of the restrictions can be lifted.

Chair Dyvik indicated that he and City Attorney Thames will attempt to work on contacting BP with the questions regarding deed restrictions and hopefully be able to bring an update to the next EDA meeting.

Dan Crear noted that there is a message in chat from Laura Thunell that explains her microphone is not working.

Chair Dyvik read aloud the question from Ms. Thunell regarding the final TIF documents. He clarified that her question was referring to the Virginia Avenue project.

Thames stated that he does not think there has been an update on the TIF documents and believes they are still being processed with Ehlers.

Chair Dyvik noted that he is hopeful that there will be an update on that process at the next EDA meeting.

## **OTHER BUSINESS**

**Refunds of 2021 Liquor License Fees to Restaurants** - Board member Hultmann noted that at the December 29, 2020 meeting he had mentioned that between the EDA and the new Council he wondered if there could be any thought given to forgiving liquor license costs for 2021 for restaurants, not liquor stores. He stated that he feels there may be a way, through the EDA, to leverage and offset the loss of those funds for the City. Chair Dyvik stated that he will bring this idea up at the Council meeting. Board member Hultmann clarified that he is proposing that the annual liquor license fees for 2021 be waived only for the restaurants in the City, adding that the liquor store businesses had not been adversely affected by the pandemic. Board member Goodsell responded that she felt that would be a great idea. Weske recalled that the City had given restaurants partial refunds of their liquor license fees twice in 2020 because of the closures, and explained that for 2021 the City had allowed them the opportunity to pay quarterly by installment agreement rather than paying their liquor license fees in full up front. He noted that it would be over \$30,000 if the City waived those fees. Board member Goodsell felt the proposed refund would be worth every penny because it would be a tremendous help to those businesses. The EDA

discussed funding sources available for the EDA to use to offset the potential loss of fees for liquor licenses.

**ADJOURN**

*A motion was made by Board member Hultmann, seconded by Board member Miner, to adjourn the meeting at 6:24 pm. Ayes: all by roll call.*

Respectfully submitted,  
Scott Weske, Executive Director